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FISCAL IMPACT STATEMENT

LS 6546

BILL NUMBER: HB 1071

NOTE PREPARED: Dec 8, 2004

BILL AMENDED:

SUBJECT: Skills 2016 Training Program.

FIRST AUTHOR: Rep. Robertson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill exempts employers with less than six full-time employees from the Skills 2016 Training Program.

Effective Date: July 1, 2005.

Explanation of State Expenditures: See *Explanation of State Revenues*.

Explanation of State Revenues: The bill would reduce the revenue into the Skills 2016 Training Fund. For FY 2004 the fund received \$16,039,509 from the 0.09% assessment on the previous year's unemployment insurance taxable wages. The bill would exempt employers with fewer than six full-time employees from the assessment. For the first quarter of CY 2004, the number of employers reporting with fewer than 6 employees made up about 56.5% of the units reporting and about 7% of the total collection. The reduction in revenue is estimated to be about \$1.1 M annually. However, employers and the state could also have a reduction in administrative cost because of the change in the reporting requirements.

Background Information: The balance in the Skills 2016 Training Fund as of June 30, 2004, was approximately \$32.7 M.

The statutory purpose for the Skills 2016 Training Program is the following: (1) to improve manufacturing productivity levels in Indiana; (2) to enable firms to become competitive by making workers more productive through training; (3) to create a competitive economy by creating and retaining jobs; (4) to encourage the increased training necessary because of an aging workforce; (5) to avoid potential payment of unemployment

compensation by providing workers with enhanced job skills.

Explanation of Local Expenditures: The impact on small local units would be as an employer. (See *Explanation of State Revenues*.)

Explanation of Local Revenues:

State Agencies Affected: Department of Commerce.

Local Agencies Affected: Local units with fewer than six employees.

Information Sources: Department of Workforce Development.

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